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23 June 1966

MEMORANDUM FOR: Chief, Domestic Contact Service

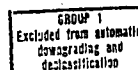
SUBJECT : Resettlement of Freds Z. LAUNAGS

1. In a memorandum for the Assistant Deputy Director for Plans dated 20 June 1966, subject, "Freds Z. LAUNAGS' Efforts to Repatriate to Latvia", a copy of which was furnished to your office, we summarized the background of the LAUNAGS case and its current status.

2. As noted in paragraph 5 of reference memorandum, when LAUNAGS first showed evidence of his desire to repatriate to Latvia in early 1965, we consulted with Agency psychiatrists who were familiar with his case and then decided to attempt to help him without re-establishing direct CIA contact. We have done this and have monitored his situation through [] (p) a long-time contract agent of Latvian origin currently working for CI Staff. It is clear, however, that LAUNAGS' personal situation has now deteriorated to the point where he may be driven to repatriate through sheer desperation, and we feel that a serious effort should be made to prevent this. We fully appreciate that this will be a difficult case and not susceptible to easy resolution, and we are aware that it may be necessary to expend funds over a certain period of time in order to get LAUNAGS on his feet. However, the potential damage to the national interest which would result from his repatriation, both with respect to revelation of CIA operations and personnel and to adverse propaganda directed against the U.S. Government and its intelligence organs is sufficiently serious to warrant a certain expenditure of effort and funds. Further, if LAUNAGS should eventually repatriate despite our efforts, the resulting damage will diminish proportionately with the passage of time.

3. This case has been discussed informally with [] of SB Division. It is requested that DCS take over responsibility for LAUNAGS' resettlement in a manner to be mutually

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agreed upon by the above officers. This Division will continue to render any assistance desired by your staff and will be prepared to obligate funds in moderate amount when the requirements of the case have been clarified.

David E. Murphy
Chief, SB Division

cc: ✓ CI Staff
Office of Security

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